

A

Seminar report

On

Marketing Mix

Submitted in partial fulfillment of the requirement for the award of degree
Of MBA

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Preface

I have made this report file on the topic Marketing Mix; I have tried my best to elucidate all the relevant detail to the topic to be included in the report. While in the beginning I have tried to give a general view about this topic.

My efforts and wholehearted co-corporation of each and everyone has ended on a successful note. I express my sincere gratitude towho assisting me throughout the preparation of this topic. I thank him for providing me the reinforcement, confidence and most importantly the track for the topic whenever I needed it.

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Introduction

The marketing mix is a business tool used in marketing and by marketers. The marketing mix is often crucial when determining a product or brand's offer, and is often associated with the four P's: price, product, promotion, and place. In service marketing, however, the four Ps are expanded to the seven P's or Seven P's to address the different nature of services.

In the 1990s, the concept of four C's was introduced as a more customer-driven replacement of four P's. There are two theories based on four Cs: Lauterborn's four Cs (consumer, cost, communication, convenience), and Shimizu's four Cs (commodity, cost, communication, channel).

History

In his paper "The Concept of the Marketing Mix", Neil Borden reconstructed the history of the term "marketing mix". He started teaching the term after an associate, James Culliton, described the role of the marketing manager in 1948 as a "mixer of ingredients"; one who sometimes follows recipes prepared by others, sometimes prepares his own recipe as he goes along, sometimes adapts a recipe from immediately available ingredients, and at other times invents new ingredients no one else has tried.

What is the marketing mix?

The marketing mix is one of the most famous marketing terms. The marketing mix is the tactical or operational part of a marketing plan. The marketing mix is also called the 4Ps and the 7Ps. The 4Ps are price, place, product and promotion. The services marketing mix is also called the 7Ps and includes the addition of process, people and physical evidence.



For someone who is new to marketing, the term heard most often is – “Marketing mix”. For those in whom marketing runs in the blood, the term also flows and they don’t just hear it, they live it. The journey from hearing the term to living it is indeed a big one and may span years, if not decades. It consists of many intermediate steps where one learns to use the aspects of the marketing mix – either individually or in combination. In the simplest form, Marketing Mix consists of four aspects, more commonly known as the **four P’s – Product, Price, Place and Promotion**. Each of the four P’s is a study in itself and takes years to master.

A marketing career is not for everyone. One needs to have the flair to understand not only the marketing mix but also to understand people as well, people who will end up being customers. Marketing mix is about understanding the customers and working around the four P’s to target the customer. There are various aspects to customer targeting. However in this session, we will limit ourselves to the introduction of the marketing mix – a brief about the four P’s of the mix.

Product – The heart of the marketing mix. Without the product, there would be no need for price, promotion or place. There are many aspects to product management. The most commonly used models are the product life-cycle (PLC) management and the customer adoption curve (AC). PLC is about the stages a product goes through and how as a product manager, one should be ready for it in terms of the overall marketing mix. AC is about how the product will be accepted in the market place so that other aspects of marketing mix can be aligned.

Price – Price can really make or break the product. It can fetch good returns or leave the company in doldrums. It is very important to price the product right – neither too high nor too low. This is the most challenging part of pricing – how to find the right price, especially in a competitive environment. There are various techniques used, however in today’s world, innovation in pricing is a key skill needed of marketers.

Place – Place is about the distribution strategy of the company for its products. It answers questions about the number of intermediaries, the flow of ownership, the commissions and finally the consumer reach. With the SCM (supply chain management) evolution, distribution strategies have the ability to create a big impact on the product success. Companies are investing a lot of money in getting their distribution strategies right.

Promotion – The most important aspect of promotion is advertising. But promotion is not just about advertising. It also includes personal selling, handling public relations and devising sales promotional tactics. In recent times, promotion is also about forming strategic relationships with the clients. There are key account managers who deal with specific clients and interact with them on a regular basis. Good promotional strategy can click with customer’s big time and bring in a windfall of revenue.

The four P’s model has been expanded to seven P’s (maybe more that I am not aware of) and other equivalent models to suit different industries and sectors. However the gist is very simple – it is really about the four P’s mentioned above. Only when one has a good and clear understanding of the four P’s, one can truly set himself/ herself on the path of a marketing career.

The services marketing mix



This part discusses the special issues concerning the marketing of services. This is not to imply that the principles of marketing covered in the previous chapters of this Handbook do not apply to services rather it reflects the particular characteristic of services in addition to those typical for products.

Cowell states that what is significant about services are the relative dominance of intangible attributes in the make-up of the “service product”. Services are a special kind of product. They may require special understanding and special marketing efforts.

The provision of the continuing education contains the element of the tangible and intangible. It usually provides a learning materials (physical good) and also numbers of the service activities (teaching processes, contact with customers, organisation of the courses, etc.). The distinction between physical and service offering can, therefore, be best understood as a matter of degree rather than in absolute terms. The continuing education is service –based since the value of this product is dependent on the design and delivery of the CE courses rather than the cost of the physical product (teaching materials, CDs, etc.).

The **services marketing mix** is an extension of the 4-Ps framework. The essential elements of product, promotion, price and place remain but three additional variables – **people, physical evidence** and **process** – are included to 7-Ps mix. The need for the extension is due to the high degree of direct contact between the CE providers and the customers, the highly visible nature of the service process, and the simultaneity of the production and consumption. While it is possible to discuss people, physical evidence and process within the original-Ps framework (for example people can be considered part of the product offering) the extension allows a more thorough analysis of the marketing ingredients necessary for successful services marketing.

People – because of the simultaneity of production and consumption in services the CE staff occupy the key position in influencing customer's perceptions of product quality. In fact the service quality is inseparable from the quality of service provider. An important marketing task is to set standards to improve quality of services provided by employees and monitor their performance. Without training and control employees tend to be variable in their performance leading to variable service quality. Training is crucial so that employees understand the appropriate forms of behaviour and trainees adopt the best practises of the andragogy.

Physical evidence – this is the environment in which the service is delivered and any tangible goods that facilitate the performance and communication of the service. Customers look for clues to the likely quality of a service also by inspecting the tangible evidence. For example, prospective customers may look to the design of learning materials, the appearance of facilities, staff, etc.

Process – this means procedures, mechanism and flow of activities by which a service is acquired. Process decisions radically affect how a service is delivered to customers. The service in CE includes several processes e.g. first contact with customers, administrative procedure regarding course delivery, preparation, delivery and evaluation of the courses. The following guideline can be useful for successful CE management:

- ensure that marketing happens at all levels from the marketing department to where the service is provided
- consider introducing flexibility in providing the service; when feasible customize the service to the needs of customers
- recruit high quality staff treat them well and communicate clearly to them: their attitudes and behavior are the key to service quality and differentiations
- attempt to market to existing customers to increase their use of the service, or to take up new service products
- set up a quick response facility to customer problems and complaints
- employ new technology to provide better services at lower costs
- use branding to clearly differentiate service offering from the competition in the minds of target customers

Four C's of Marketing Mix

Now days, organizations treat their customers like kings. In the current scenario, the four C's has thus replaced the four P's of marketing making it a more customer oriented model. Koichi Shimizu in the year 1973 proposed a four C's classification.

- **Commodity** - (Replaces Products)
- **Cost** - (Replaces Price) involves manufacturing cost, buying cost and selling cost
- **Channel** - The various channels which help the product reach the target market.
- **Communication** - (Replaces Promotion)

Characteristics of Marketing Mix

1. Marketing mix is the crux of marketing process:

Marketing mix involves many crucial decisions relating to each element of the mix. The impact of the mix will be the best when proper weightage is assigned to each element and they are integrated so that the combined effect leads to the best results.

2. Marketing mix has to be reviewed constantly in order to meet the changing requirements:

The marketing manager has to constantly review the mix and conditions of the market and make necessary changes in the marketing mix according to changes in the conditions and complexity of the market.

3. Changes in external environment necessitate alterations in the mix:

Changes keep on taking place in the external environment. For many industries, the customer is the most fluctuating variable of environment. Customers' tastes and preferences change very fast. Brand loyalty and purchasing power also change over a period. The marketing manager has to carry out market analysis constantly to make necessary changes in the marketing mix.

4. Changes taking place within the firm also necessitate changes in marketing mix:

Changes within the firm may take place due to technological changes, changes in the product line or changes in the size and scale of operation. Such changes call for similar changes in the marketing mix.

5. Applicable to business and non-business organization:

Marketing mix is applicable not only to business organizations but also to non-business organizations, such as clubs and educational institutions. For instance, an educational institution is expected to provide the right courses (product), charge the right fees (price), promote the institution and the courses, and provide the courses at the right place.

6. Helps to achieve organizational goals:

An application of an appropriate marketing mix helps to achieve organizational goals such as profits and market share.

7. Concentrates on customers:

A thorough understanding of the customer is common to all the four elements. The focus point of marketing mix is the customer, and the marketing mix is expected to provide maximum customer satisfaction.

Limitations of the Marketing Mix

The marketing mix framework was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people, process, etc. Today however, the marketing mix most commonly remains based on the 4 P's. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbooks have been organized around it.

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